



EDUCATION IS KEY.
KNOWLEDGE IS POWER.

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Mortgage Brief

The Bank of Canada is at it again & again...

As you have likely heard already the Bank of Canada has once again raised their prime rate by .25%. This is now 3 hikes within the past 6-7 months with discussion of possibly another 2 increases this year which can be halted depending on how firm Trump's threats are to quit the NAFTA.

The good news re Canada's economy... "Recent data has been strong, inflation is close to target, and the economy is operating roughly at capacity,".

On the other side... in response to this lenders will LIKELY increase their prime lending rate to 3.45% from 3.20% which will directly affect your rate and payments if you have a VRM and/or LOC.

The question now becomes "should I lock-in my mortgage to a Fixed Rate?"
Here are my thoughts...

If you have a VRM... stay VRM if the following applies:

- You have a discount below prime of .50% or more
- You plan to sell, move, or draw equity from your home
- You are comfortable with 1-2 possible rate increase this year or next
- If a payment increase of approximately \$13/month/100k of your mortgage will not significantly affect your monthly budget

If you have a VRM... LOCK-IN if the following applies:

- If a payment increase of approximately \$13/month/100k of your mortgage will affect your monthly budget
- If you are highly concerned with the prime rate possibly moving again this year or next
- If you have no plan to sell, move, or draw equity from your home

Current lock-in rates for 5 Year Fixed terms are approximately 3.45-3.65% depending on your lender.
These rates are time sensitive and can change very quickly.

Here are some articles to bring you update to speed:

[History of Policy Interest Rate](#)

[Bank of Canada raises rate to 1.25%, but cautions on NAFTA](#)

[Bank of Canada raises interest rate: Read the official statement](#)



BUYING A HOME

Buying a home is an exciting time. We are here to make it as enjoyable and pleasant as it can be. So what do you need to know when buying a home?

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SELLING A HOME

Since you're selling your home, it's highly likely that you will have some home equity to take advantage of. This means you can pay off high-interest credit cards, car loans, and lines of credits.

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REFINANCING

Some homeowners think that the word refinance is a bad one, but it's not! Taking advantage of home equity and low mortgage rates is easier, and more common than you think.

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MORTGAGE TRANSFER

The mortgage industry is constantly changing. When your mortgage comes up for renewal, STOP! Don't just sign on the dotted line like more than 30% of homeowners do.

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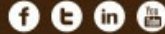


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